

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

March 2, 2020

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, at 6:00 p.m. on Monday, the 2<sup>nd</sup> day of March, 2020, at the Authority's office located at 3648 Cypress Creek Parkway, Suite 110, Houston, Texas, a public meeting place within the boundaries of the Authority; whereupon, the roll was called of the duly constituted officers and members of the Board, to-wit:

|                  |                              |
|------------------|------------------------------|
| Alan J. Rendl    | President                    |
| Kelly P. Fessler | Vice President               |
| Lenox A. Sigler  | Secretary                    |
| Ron Graham       | Assistant Secretary          |
| Jim Pulliam      | Treasurer/Investment Officer |

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Jun Chang, P.E., D.WRE, Deputy General Manager for the Authority; Mr. Mark Evans, Director of Planning and Governmental Affairs for the Authority; Ms. Cynthia Plunkett, Financial Assistant for the Authority; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Stephen Berckenhoff, P.E. and Doug Haude, P.E., of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to AECOM and project representative on several Authority projects; Mr. Harrison Steed, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. Bill Kotlan, P.E. and Ms. Kate Hallaway, P.E., of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Rafael Ortega, P.E., of Aurora Technical Services, LLC, on-call engineers for the Authority; Mr. Dustin O'Neal, P.E., of Costello, Inc., on-call engineers for the Authority; Ms. Giti Zarinkelk, P.E., and Mr. Mike Bagstad, P.E., of Zarinkelk Engineering Services, Inc., on-call engineers for the Authority; Mr. David Huang, P.E., of RPS Klotz Associates, on-call engineers for the Authority; Mr. Lance McLeod, P.E., of Kimley-Horn and Associates Inc., on-call engineers for the Authority; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. David Warner, P.E., of Jones|Carter, Inc., on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Lockwood Andrews and Newnam, Inc., on-call engineers for the Authority; Mr. Chris Campbell, P.E., of Binkley & Barfield, on-call engineers for the Authority; Mr. Carlton McDevitt of Inframark, LLC ("Inframark"), operator for the Authority; Mr. Chris M. DeBow of Public Trust Advisors, investment advisor to the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Radcliffe Bobbitt"), general counsel and co-bond counsel for the Authority. Numerous members of the public and other consultants to the Authority were also present at the meeting. Copies of the sign-in sheets for those in attendance at the meeting are attached hereto.

WHEREUPON, the meeting was called to order by Director Rendl and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

## PRESIDENT'S MESSAGE

Director Rendl first reported that Mr. Jimmie Schindewolf had recently fallen and broken his hip and had surgery but is now undergoing rehabilitation. Director Rendl wished Mr. Schindewolf a speedy recovery. Director Rendl then noted that in Mr. Schindewolf's absence, Mr. Chang would be serving as the Acting General Manager of the Authority.

## PUBLIC COMMENTS

Director Rendl noted that a public comment card had been received from Mr. Jerry Homan, General Manager of Harris County Freshwater Supply District No. 61. Mr. Homan then addressed the Board and meeting attendees and reported that Channel 2 News would be running a special segment on Chromium-6 in the next several days. Mr. Homan recommended that utility district directors do their own research on Chromium-6, since it is likely they will be receiving calls and questions regarding the matter.

Director Rendl next stated that a public comment card has also been received from Mr. Nick Fava of Bammel Utility District. Mr. Fava then addressed the Board and meeting attendees and thanked the Authority for their public announcement regarding the recent City of Houston (the "City") water main break. Mr. Fava further stated that he has been receiving phone calls recently regarding a company trying to sell a policy to cover repair expenses for his residential water line from the water meter to his house in case of damage to the water line. Mr. Fava asked if these types of policies are scams. Director Rendl responded that he does not want to make any comment about what a homeowner should do with their own home and utilities and further stated that those types of issues should be the decision of a homeowner and a utility district.

## REPORTS

### STATUS OF ACTIVITIES BY COMMUNICATIONS / PUBLIC INFORMATION COORDINATOR

A copy of Ms. Payne's PowerPoint presentation is attached as an exhibit to these minutes.

Ms. Payne first reviewed the schedule for the Authority's elementary school assembly programs. Ms. Payne also reviewed Director Rendl's presentation schedule.

Ms. Payne then reported that the mobile teaching lab is currently being booked for school presentations. Ms. Payne added that the mobile teaching lab can be booked through the Authority's website.

Ms. Payne next reported that the new "Rising Cost of Water" brochure will be ready for distribution in a few days. Ms. Payne added that 12 new billing inserts on water conservation are now available for ordering through the Authority's website or contacting the Authority's office. Director Rendl then reminded everyone that the Authority's surface water rate and pumpage fee will be increasing as of April 1<sup>st</sup> and that the billing inserts and "Rising Cost of Water" brochure are good ways to give customers a better understanding of the rate increases.

## GENERAL MANAGER'S REPORT

Director Rendl then asked Mr. Berckenhoff to speak about the recent City water main break that occurred on February 27<sup>th</sup>. Mr. Berckenhoff reported that the City's 96-inch (96") water line from the East Water Purification Plant ruptured while contractors were doing exploratory excavation work to identify a leak in the line. Mr. Berckenhoff went on to explain that the line is a concrete cylinder pipe that was installed in approximately 1987. Mr. Berckenhoff noted that the line was not punctured by construction equipment, but rather the rupture was caused by the removal of soil from around the pipe. Mr. Berckenhoff went on to report that the rupture caused a loss of water and pressure to downtown Houston and the area in and around the Medical Center. Mr. Berckenhoff added that the loss of water/pressure triggered a boil water notice on Friday, February 28<sup>th</sup>. Mr. Berckenhoff further stated that since the Authority receives its water from the City Northeast Water Purification Plant (the "NEWPP"), the City never asked the Authority to reduce pressure or the amount of water taken from the City, and that a boil water notice was not required for the Authority's customers. Mr. Berckenhoff added that he believes the City did a good job of isolating the line break and rerouting water service to have water pressure restored quickly to downtown Houston and the Medical Center area. Director Rendl asked if the ruptured line was connected to the Authority's system. Mr. Berckenhoff explained that the City has an extensive water transmission network, so he cannot say with certainty that there is no physical connection to the Authority's system. Mr. Berckenhoff reiterated that the Authority did not experience any significant drop in water pressure due to the line rupture. Director Pulliam asked how the City knew which valves to isolate in order to contain the rupture. Mr. Berckenhoff stated that the City keeps very good records on their water distribution system and the location of valves.

Mr. Chang then called upon Mr. Berckenhoff to present the Program Manager's Report to the Board, a copy of which is included behind Tab 3 of the meeting packet and attached hereto.

## PROGRAM MANAGER'S REPORT

### UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Berckenhoff first reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 19.2 million gallons per day ("MGD") of surface water during February. Mr. Berckenhoff added that the alternative water used in January was approximately 32.1%, compared to approximately 33.5% in December. Mr. Berckenhoff further explained that during January, approximately 79.1% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water.

Mr. Berckenhoff then reported that the Authority successfully submitted the Annual Reconciliation Report for the 2018-2019 permit year to the Harris-Galveston Subsidence District. Mr. Berckenhoff further stated that for the 15-month permit year running from September 1, 2018 to November 30, 2019, the Authority used a total of 37,727,219,427 gallons of water, which will earn the Authority 716,300,000 gallons of over conversion credits. Mr. Berckenhoff added that if the Annual Reconciliation Report is accepted as it was submitted, the Authority will have banked over 10 billion gallons of over conversion credits.

## MAJOR ACTIVITIES

Mr. Berckenhoff went on to report that during the prior month, AECOM had performed other activities for the Authority as follows: 1) implemented and performed tasks regarding the Authority's aggregate water well permit (the "Permit"); 2) assisted the Authority in a variety of activities involving the City; 3) continued oversight of engineering and acquisition related efforts; 4) provided oversight of Inframark's activities and its contract to operate the Authority's system; and 5) monitored, tabulated and analyzed amounts of water used by the PWSs covered by the Authority's Permit and, where necessary and practical, in consort with Inframark and the respective PWS operators, took appropriate actions to optimize the use of surface water. Mr. Berckenhoff also reported that the Authority currently has 21 active projects, with seven (7) in or near construction, eight (8) in final design and six (6) in the planning or preliminary engineering stage.

## LUCE BAYOU INTERBASIN TRANSFER PROJECT (THE "LUCE BAYOU PROJECT") UPDATE

Concerning the Luce Bayou Project, Mr. Berckenhoff gave an update on the status of the following items: 1) the contractor has continued installation of station piping, pull box spread footings, electrical pull boxes, electrical conduits and control building slab at the Capers Ridge Pump Station; 2) continued concrete pours at the flow distribution basin and pig retrieval facility; and 3) completed headwall construction on Canal Segment No. 1 at siphons located at station 72+00 and FM 2100.

## NORTHEAST WATER PURIFICATION PLANT (THE "NEWPP") EXPANSION PROJECT UPDATE

Mr. Berckenhoff went on to report that construction of the South Plant electrical under-slab work for the main switch gear building has been completed and excavation has been initiated for the High Service Pump Station structure. Mr. Berckenhoff further reported that the Central Plant structural concrete work is continuing on schedule and the installation of the 84-inch (84") wall spools and 60-inch (60") suction piping has been completed for the Transfer Pump Station. Mr. Berckenhoff went on to report that construction of Early Work Package ("EWP") 2 Filter Building and Transfer Pump Station is proceeding. Mr. Berckenhoff also reported that construction of EWP 4 manhole installation, welding and grouting of joints and storm drainage pipe installation is continuing. Mr. Berckenhoff further reported that construction of EWP 6 North Plant continues with subgrade preparation, structural concrete work for stem walls, cross collectors and base slabs for various structures. Mr. Berckenhoff added that the Houston Waterworks Team continues to progress on the procurement of various Balance of Plant packages and that the Project Advisor/Technical Consultant continues to provide construction oversight services on behalf of the City and the Authorities. Mr. Berckenhoff also noted that the first tower crane has been erected on the NEWPP site.

## NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Berckenhoff next reported that in connection with the NETL project, the contractors have continued with construction on four (4) sections of the 108-inch (108") line.

Mr Berckenhoff added that real estate acquisitions are proceeding on several additional sections of the NETL and that design is progressing on the remaining two (2) sections of the 108-inch (108") line.

#### ATTORNEY'S REPORT

Ms. Bobbitt stated that she had nothing to report.

#### REGULAR AGENDA

##### APPROVAL OF MINUTES

The Board next considered approval of the minutes of the February 3, 2020 regular meeting. Upon motion by Director Fessler, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the February 3, 2020 regular meeting, as written.

##### FINANCIAL ASSISTANT'S REPORT, INCLUDING APPROVE PAYMENT OF BILLS, ISSUANCE OF CHECKS, REVIEW BUDGET COMPARISON, AND REPORT ON STATUS OF PAYMENTS OF QUARTERLY PUMPAGE FEES

Director Rendl then recognized Ms. Plunkett, who reviewed the Authority's Financial Report with the Board, including the monthly investment report, the checks being presented for payment, and the budget comparison for the month ended January 31, 2020, a copy of which is included behind Tab 5 of the meeting packet and is attached hereto.

Upon motion by Director Sigler, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Financial Report, the monthly investment report, and the checks being presented for payment.

##### ANNUAL REVIEW OF INVESTMENTS AND ADOPT ORDER REGARDING ANNUAL REVIEW OF RULES, POLICIES, CODE OF ETHICS AND LIST OF AUTHORIZED BROKERS FOR THE INVESTMENT OF AUTHORITY FUNDS

Ms. Plunkett then explained that the Authority is required by the Public Funds Investment Act to review the Authority's Investment Policy and investment strategies on an annual basis. Ms. Plunkett further explained that she had worked with Mr. DeBow to conduct the annual review and that no changes to the Authority's Investment Policy are recommended at this time.

Ms. Plunkett then introduced Mr. DeBow to the Board.

Mr. DeBow next presented an investment update and review of the Authority's investment portfolio, a copy of which is attached hereto.

Ms. Plunkett then stated that Tab 6 of the meeting packet includes the Order Regarding Annual Review of Rules, Policies, Code of Ethics, and List of Authorized Brokers for the Investment of Authority Funds (the "Order") for the Board's adoption. Upon motion by Director

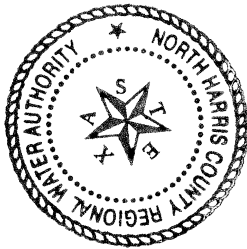
Pulliam, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order, a copy of which is attached hereto.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, April 6, 2020, at 6:00 p.m. at the Authority's office.

There being no further business to come before the Board, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 6<sup>th</sup> day of April, 2020.



/s/ Lenox A Sigler  
Secretary, Board of Directors